

Message Text

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ACTION EUR-12

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PASS LABOR, TREASURY, FRB

E.O. 11652: N/A

TAGS: ELAB, UK, PINT

SUBJECT: JONES TALKS TOUGH IN SCOTLAND

BEGIN SUMMARY. A SPEECH BY TOP TUC LEADER, JACK JONES, ON THE EVE OF THE SCOTTISH TUC CONFERENCE (WHICH OPENS TODAY IN ROTHESAY, SCOTLAND -- APRIL 18) WAS DESCRIBED IN THE LONDON TIMES AS A "SEVERE BLOW" TO HOPES FOR A THIRD LIMITED OFFICIAL USE

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ROUND PAY ACCORD. HIS RULING OUT OF A "RIGID" THIRD PAY ROUND MAY IN FACT HAVE CONTRIBUTED TO LOWER SHARE PRICES TODAY, BUT JONES DID NOT ADD ANY FUNDAMENTALLY NEW ELEMENT IN TUC "NEGOTIATING" STANCE ON PAY EXPECT TO REPHRASE IT IN SOMEWHAT MILITANT LANGUAGE. MOREOVER, JONES. RATHER TOUGH PUBLIC TONE WAS UNDOUBTEDLY AIMED AT SOFTENING THE ULTIMATE RESOLUTION ON PAY WHICH WILL

EMERGE FROM THE LEFT-WING DOMINATED SCOTTISH TUC
CONFERENCE. END SUMMARY.

1. PAUL ROUTLEDGE. THE TIMES LABOR EDITOR, IN A FRONT-PAGE ARTICLE ON APRIL 18, CHARACTERIZED JONES' EVE-OF-CONFERENCE SPEECH AS HAVING DEALT A "SEVERE BLOW" TO "HOPE OF FRESH AGREEMENT BETWEEN THE TUC AND THE GOVERNMENT ON WAGE RESTRAINT" IN THE THIRD YEAR. OTHER PAPERS ECHOED THIS THESIS TO SOME DEGREE AND THE STOCK MARKET MAY ALSO REFLECT JITTERS AS A RESULT OF IT. ROUTLEDGE BASED HIS ASSERTION PARTLY ON JONES' CALL FOR A "VERY EARLY" RETURN TO FREE COLLECTIVE BARGAINING AND FOR HIS SOUGHT BY GOVERNMENT. HOWEVER, THE TIMES LABOR EDITOR ALSO ACKNOWLEDGED JONES' EMPHASIS ON MAINTAINING THE TUC-LABOR GOVERNMENT TIES AND THE TRADE UNION LEADER'S ASSERTION THAT TRADE UNIONISTS SHOULD MODERATE THEIR CLAIMS RATHER THAN SEEK "WADS OF CONFETTI MONEY" IN VIEW OF THE NATION'S ECONOMIC CRISIS.

2. ESSENTIALLY, JONES WAS SIMPLY REITERATING THE CONSENSUS VIEW PREVAILING CURRENTLY IN THE TUC ESTABLISHMENT. LIKE HIS COLLEAGUES, HE IS URGING AN END TO A "RIGID" PAY POLICY WHICH HE SAYS IS UNREALISTIC AND FOR GREATER FACTORY LEVEL BARGAINING OVER JOB RATES AND OTHER SPECIAL PROBLEMS IN LABOR/MANAGEMENT RELATIONS RELATED TO TAKE-HOME PAY (SHIFT RATES, ETC.). JONES ALSO REITERATED TUC CRITICISM OF THE BUDGET PROPOSALS, WITH SPECIAL ATTACKS ON GASOLINE AND ROAD FUND TAXES AND THE GOVERNMENT'S FAILURE TO STIMULATE GROWTH SUFFICIENTLY. HE ALSO
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STRONGLY URGED THAT THE GOVERNMENT INSTITUTE A TEMPORARY PRICE FREEZE.

3. COMMENT. IN OTHER WORDS, JONES WAS REPHRASING IN SOMEWHAT MORE MILITANT TONES WHAT IS SHAPING UP TO BE A LIKELY OVERALL TUC STANCE WHICH IN EFFECT SUGGESTS: "YES, MR. HEALEY, WE'LL ACCEPT A THIRD YEAR, IF WE CAN GET IT THROUGH OUR INCREASINGLY RESTIVE MEMBERSHIP, IF IT IS LOOSE ENOUGH TO ACCOMMODATE MOST OF THE DISTORTIONS OF THE LAST SEVERAL YEARS AND IF YOU TAKE CERTAIN ECONOMIC ACTIONS, INCLUDING INFLATION-DAMPENING MEASURES." LIKE ALL GOOD BARGAINERS, MR. HEALEY IS CERTAIN TO HAVE A COUNTER-OFFER. IF JONES VOICED THIS VIEW IN STRONG TONES, HE DID SO IN THE FRAMEWORK OF A CONFERENCE WHICH TRADITIONALLY HAS OPPOSED ANY FORM OF WAGE RESTRAINT. AS A GOOD TACTICIAN, HE WAS TRYING TO TAKE OUT SOME OF THE STING OF THE ANTI-PAY RESTRAINT RESOLUTION WHICH IS LIKELY TO EMERGE FROM THE SCOTTISH TUC

CONFERENCE BY DOING A BIT OF HUFFINO AND PUFFING HIMSELF.
THE TUC AND THE GOVERNMENT HAVE COMMENCED MORE SERIOUS
BARGAINING, AND EACH SIDE OUIE LOGICALLY WILL USE PRESS,
RADIO AND TELEVISION TO ENHANCE ITS POSITION. AS ONE
WELL-KNOWN TUC VETERAN LORD GREENE USED TO SAY: "DON'T
LOOK AT THE CLAIMS, LOOK AT THE SETTLEMENTS."
SPIERS

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